

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
W.R. Grace & Co., <u>et al.</u>,	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
)	
Debtors.	)	Objection Deadline: September 23, 2003
		Hearing Date: December 15, 2003 @ 12:00 AM

**SUMMARY OF THE FOURTH INTERIM QUARTERLY APPLICATION OF LUKINS
& ANNIS, P.S. FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF
EXPENSES AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE INTERIM PERIOD
FROM APRIL 1, 2003 THROUGH JUNE 30, 2003**

Name of Applicant:	Lukins & Annis, P.S.
Authorized to Provide Professional Services to:	Zonolite Attic Insulation Claimants
Date of Appointment:	Appointment Order effective as of July 22, 2002
Period for which compensation and Reimbursement is sought:	April 1, 2003 through June 30, 2003
Amount of Compensation sought as actual, Reasonable, and necessary:	\$106,233.00
Amount of Expenses Reimbursement:	\$ 7,240.24
This is a: <input type="checkbox"/> monthly <input checked="" type="checkbox"/> quarterly application	
Prior Application filed: Yes	

Period Covered	Date Filed	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
04/01/03 – 04/30/03	July 21, 2003	\$ 35,032.00	\$ 3,697.08	No Objections Filed	No Objections Filed
05/01/03 – 05/31/03	July 31, 2003	\$ 30,578.00	\$ 2,063.15	No Objections Filed	No Objections Filed
06/01/03 – 06/30/03	August 15, 2003	\$ 40,623.00	\$ 1,480.01	Pending	Pending

The objection deadlines for the L&A Monthly Applications for fees and expenses incurred for the periods of May 1, 2003 through May 31, 2003 and June 1, 2003 through June 30, 2003 have not yet passed.

The Lukins & Annis attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly Billing Rate	Total billed hours	Total compensation
Darrell W. Scott	Partner	13	Litigation	\$370	205.00	\$72,409.00
Kelly E. Konkright	Associate	1	Litigation	\$120	36.40	\$3,144.00
TOTALS					241.40	\$75,553.00

The paraprofessionals who rendered professional service in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years in position	Department	Hourly Billing Rate	Total billed hours	Total compensation
Kristy L. Bergland	Paralegal	23	Litigation	\$150	195.20	\$29,280.00
Barbara A. Hurley	Paralegal	3	Litigation	\$100	1.20	\$120.00
Samantha Batorson	Legal Asst.	10	Litigation	\$80	16.00	\$1,280.00
TOTALS					212.40	\$30,680.00

Compensation by Project Category

Category	Total Hours	Total Fees
20-Travel-Non-working	39.00 Hours	\$ 4,665.00
22-ZAI Science Trial	414.80 Hours	\$101,568.00
TOTALS	453.80 Hours	\$106,233.00

ZAI Science Trial Expenses (Category 23)

Description	Amount
Computer Assisted Legal Research	
Telephone Expense	\$ 179.72
Telephone Expense – Outside	\$ 1,239.03
Facsimile (\$1.00 per page)	\$ 91.00
Postage Expense	\$ 18.59
Courier & Express Carriers	\$ 706.05
In-House Duplicating / Printing (\$.15 per page)	\$ 1,520.55
Outside Duplicating / Printing (color photocopies)	\$ 46.10
Lodging	\$ 608.37
Transportation	
Air Travel Expense	\$ 693.00
Taxi Expense	\$ 80.00
Mileage Expense	\$ 332.64
Travel Meals	\$ 75.58
Parking	\$ 55.25
General Expense	
Expert Services	
Books/Videos	\$ 78.61
Other (Explain)	\$ 1,515.75
(Deposition Transcripts)	
Total:	\$ 7,240.24

Dated: September 3, 2003

ELZUFON AUSTIN REARDON
TARLOV & MONDELL, P.A./s/ William D. Sullivan

William D. Sullivan (Bar No. 2820)
Charles J. Brown, III (Bar No. 3368)
300 Delaware Avenue, Suite 1700
P.O. Box 1630
Wilmington, DE 19899
Phone: (302) 428-3181
FAX: (302) 777-7244

-and-

Darrell W. Scott, Esq..
Lukins & Annis, P.S.
717 W. Sprague Avenue, Suite 1600
Spokane, WA 99201
Phone: (509) 455-9555
FAX: (509) 747-2323
Additional Special Counsel for ZAI Claimants

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
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W.R. Grace & Co., <u>et al.</u> ,)	Case No. 01-01139 (JKF)
)	(Jointly Administered)
)	
Debtors.)	Objection Deadline: September 23, 2003
		Hearing Date: December 15, 2003 @ 12:00 PM

**FOURTH INTERIM QUARTERLY APPLICATION OF LUKINS & ANNIS, P.S.
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES
AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE INTERIM
PERIOD FROM APRIL 1, 2003 THROUGH JUNE 30, 2003**

Pursuant to Sections 327, 330 and 331 of Title 11 of the United States Code (as amended, the “Bankruptcy Code”), Fed. R. Bankr. P. 2016, the Appointment Order (as defined below), the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals and Official Committee Members (the “Interim Compensation Order”), the Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals and Official Committee Members (the “Amended Interim Compensation Order” and collectively with the Interim Compensation Order, the “Compensation Order”) and Del.Bankr.LR 2016-2, the law firm of Lukins & Annis, P.S. (“Applicant” or “L&A”), ZAI Additional Special Counsel, hereby applies for an order allowing it: (i) compensation in the amount of \$106,233.00 for the reasonable and necessary legal services L&A has rendered; and (ii) reimbursement for the actual and necessary expenses L&A has incurred in the amount of \$7,240.24 (the “Fourth Interim Quarterly Fee Application”), for the interim quarterly period from April 1, 2003 through June 30, 2003 (the “Fee Period”). In support of this Application, L&A respectfully states as follows:

Background

Retention of L&A

1. On April 2, 2001 (The "Petition Date"), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases"). On April 2, 2001, the Court entered an order procedurally consolidating the Chapter 11 Cases for administrative purposes only. Since the Petition Date, the Debtors have continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
2. By this Court's order effective as of July 22, 2002, L&A was appointed as ZAI Additional Special Counsel to prosecute the ZAI "Science Trial" issues on behalf of the ZAI Claimants' position against Debtors' position (the "Appointment Order"). The Appointment Order authorizes a total budget for ZAI Counsel of \$1.5 million in fees and \$500,000 in expenses for prosecuting the Science Trial, against which L&A may be compensated for legal services at its hourly rates as specified to the Court, and for actual and necessary out-of-pocket expenses incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and all applicable local rules and orders of this Court¹. On May 3, 2001, this Court entered the Interim Compensation Order and entered the Amended Interim Compensation Order on April 17, 2002. On July 28, 2003, the Court entered an Order authorizing an additional budget of \$950,000.00 per side for additional attorney fees and expenses.

¹ The rates billed by L&A are within the range of rates previously identified to the Court which were the current hourly rates at that time. L&A lawyers and professionals are being billed at rates commensurate with their experience and in the same range as other firms are billing in this bankruptcy.

Monthly Interim Fee Applications Covered Herein

3. Pursuant to the procedures set forth in the Compensation Order, professionals may apply for monthly compensation and reimbursement (each such application, a "Monthly Fee Application") subject to any objections lodged by the Notice Parties, as defined in the Compensation Order. If no objection is filed to a Monthly Fee Application within twenty (20) days after the date of service of the Monthly Fee Application, the applicable professional may submit to the Court a certification of no objection whereupon the Debtors are authorized to pay interim compensation and reimbursement of 80% of the fees and 100% of the expenses requested.
4. Furthermore, and also pursuant to the Compensation Order, professionals are to file and serve upon the notice parties a quarterly request (a "Quarterly Fee Application") for interim Court approval and allowance of the Monthly Fee Applications filed during the quarter covered by that Quarterly Fee Application. If the Court grants the relief requested by the Quarterly Fee Application, the Debtors are authorized and directed to pay the professional 100% of the fees and expenses requested in the Monthly Fee Applications covered by that Quarterly Fee Application less any amounts previously paid in connection with the Monthly Fee Applications. Any payment made pursuant to the Monthly Fee Applications or a Quarterly Fee Application is subject to final approval of all fees and expenses at a hearing on the professional's final fee application.
5. This is the Fourth Interim Quarterly Fee Application that L&A has filed with the Bankruptcy Court in connection with these Chapter 11 Cases.
6. L&A has filed the following Monthly Fee Applications for interim compensation during this Fee Period:

1. Application of Lukins & Annis, P.S. for Compensation for Services and Reimbursement of Expenses as ZAI Additional Special Counsel for the Interim Period of April 1, 2003 through April 30, 2003 filed July 21, 2003 attached hereto as Exhibit A.
2. Applications of Lukins & Annis, P.S. for Compensation for Services and Reimbursement of Expenses as ZAI Additional Special Counsel for the Interim Period of May 1, 2003 through May 31, 2003 filed July 31, 2003 attached hereto as Exhibit B.
3. Applications of Lukins & Annis, P.S. for Compensation for Services and Reimbursement of Expenses as ZAI Additional Special Counsel for the Interim Periods of June 1, 2003 through June 30, 2003 filed August 15, 2003 attached hereto as Exhibit C.
7. The period for objecting to the fees and expense reimbursement requested in the April and May Fee Applications has passed and Certificates of No Objection have been filed. The period for objecting to the fees and expense reimbursement requested in the June Fee Application has not yet expired.
8. During the Fee Period, L&A has prepared for the ZAI Science Trial as detailed in the Application.

Requested Relief

9. By this Fourth Interim Quarterly Fee Application, L&A requests that the Court approve the interim allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by L&A for the Fee Period as detailed in the Application, less any amounts previously paid to L&A pursuant to the

Application and the procedures set forth in the Compensation Order. The full scope of services provided and the related expenses incurred are fully described in the April – June Fee Application, which is attached hereto as Exhibit A.

Disinterestedness

10. With the exception of its representation of asbestos claimants, L&A does not hold or represent any interest adverse to the estates as stated in the Affidavit of Darrell W. Scott in Support of the Application of the Asbestos Property Damage Committee to Retain Special Counsel, filed June 7, 2002.
11. In addition, L&A may have in the past represented, may currently represent, and likely in the future will represent parties-in-interest in connection with matters unrelated to the Debtors and the Chapter 11 Cases.

Representations

12. L&A believes that the Application is in compliance with the requirements of Del.Bankr.LR 2016-2.
13. L&A performed the services for which it is seeking compensation under its Court Appointment effective as of July 22, 2002 (including the July 21, 2002, travel).
14. During the Fee Period, L&A has received no payment, nor has it received any promises for payment, from any other source for services rendered or to be rendered in any capacity whatsoever in connection with these Chapter 11 Cases.
15. Pursuant to Fed. R. Bank. P. 2016(b), L&A has not shared, nor has it agreed to share: (a) any compensation it has received or may receive with another party or person other than with the partners, counsel and associates of L&A; or (b) any compensation another person or party has received or may receive in connection with the Chapter 11 Cases.

16. Although every effort has been made to include all fees and expenses from the Fee Period in the Application, some fees and expenses from the Fee Period might not be included in the Application due to accounting and processing delays. L&A reserves the right to make further application to the Court for allowance of fees and expenses for the Fee Period not included herein.

WHEREFORE, L&A respectfully requests that the Court enter an order providing: (a) that for the Fee Period an administrative allowance be made to L&A in the sum of (i) \$106,233.00 as compensation for reasonable and necessary professional services, and (ii) \$7,240.24 for reimbursement of actual and necessary costs and expenses incurred (for a total of \$113,473.24); (b) that the Debtors be authorized and directed to pay to L&A the outstanding amount of such sums less any sums previously paid to L&A pursuant to the Application and the procedures set forth in the Compensation Order; and (c) that this Court grant such further relief as is equitable and just.

Dated: September 3, 2003

ELZUFON AUSTIN REARDON
TARLOV & MONDELL, P.A.

/s/ William D. Sullivan

William D. Sullivan (No. 2820)
Charles J. Brown, III (No. 3368)
300 Delaware Avenue, Suite 1700
Wilmington, DE 19899
Phone: (302) 428-3181
FAX: (302) 777-7244

-and-

Darrell W. Scott, Esq..
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Phone: (509) 455-9555
FAX: (509) 747-2323
Additional Special Counsel for ZAI Claimants

VERIFICATION

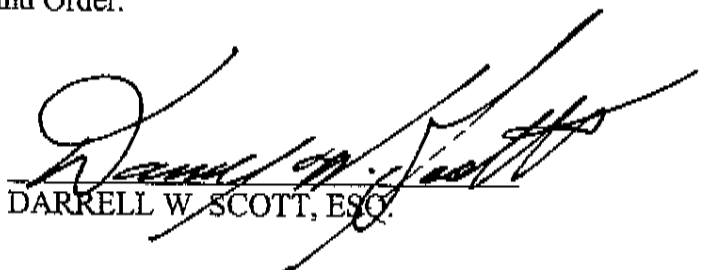
STATE OF WASHINGTON)
)
COUNTY OF SPOKANE)

Darrell W. Scott, after being duly sworn according to law, deposes and says:

a) I am counsel with the applicant law firm Lukins & Annis, P.S. and have been admitted to appear before this Court.

b) I have personally performed many of the legal services rendered by Lukins & Annis, P.S. and am thoroughly familiar with the other work performed on behalf of the ZAI Claimants by the lawyers and paraprofessionals of Lukins & Annis, P.S.

c) I have reviewed the foregoing application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del.Bankr.LR 2016-2 and the 'Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members', signed April 17, 2002, and submit that the Application substantially complies with such Rule and Order.


DARRELL W. SCOTT, ESQ.

SWORN AND SUBSCRIBED
Before me this 26th day of August, 2003.

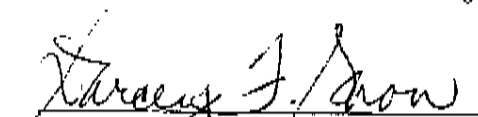

Notary Public for Washington
Residing at Spokane
My Commission Expires: 3/2/04



EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
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W.R. Grace & Co., <u>et al.</u>)	Case No. 01-01139 (JKF)
)	(Jointly Administered)
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Debtors.)	Objection Deadline: August 11, 2003
)	Hearing Date: TBD only if necessary

**SUMMARY OF THE VERIFIED APPLICATION OF LUKINS & ANNIS, P.S.
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF
EXPENSES AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE INTERIM
PERIOD FROM APRIL 1, 2003 THROUGH APRIL 30, 2003**

Name of Applicant:	Lukins & Annis, P.S.
Authorized to Provide Professional Services to:	Zonolite Attic Insulation Claimants
Date of Appointment:	July 22, 2002
Period for which compensation and Reimbursement is sought:	April 1, 2003 through April 30, 2003
Amount of Compensation sought as actual, Reasonable, and necessary:	\$35,032.00
Amount of Expenses Reimbursement:	\$ 3,697.08
This is a: <input checked="" type="checkbox"/> monthly <input type="checkbox"/> interim <input type="checkbox"/> final application	
Prior Application filed: Yes	

Date Filed	Period Covered	Requested Fees	Requested Expenses	Status of Fees	Status of Expenses
11/15/02	7/21/02 - 9/30/02	\$37,691.00	\$3,422.38	Approved	Approved
12/05/02	10/1/02 - 10/31/02	\$24,143.00	\$728.96	Approved	Approved
02/10/03	11/1/02 - 11/30/02	\$32,033.00	\$629.26	Approved	Approved
02/27/03	12/1/02 - 12/31/02	\$32,330.00	\$1,262.74	Approved	Approved
04/09/03	01/1/03 - 01/31/03	\$41,977.00	\$2,033.90	No Objections served on counsel	No Objections served on counsel
05/06/03	02/1/03 - 02/28/03	\$22,950.00	\$3,192.89	No Objections served on counsel	No Objections served on counsel
06/02/03	03/1/03 - 03/31/03	\$40,463.00	\$7,696.91	No Objections served on counsel	No Objections served on counsel

This is the eighth Lukins & Annis application for monthly interim compensation of services filed with the Bankruptcy Court in this Chapter 11 case.

The total expended for the preparation of this application is approximately 6 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$565.00.

The Lukins & Annis attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly Billing Rate	Total billed hours	Total compensation
Darrell W. Scott	Partner	13	Litigation	\$370	72.3	\$24,050.00
Kelly E. Konkright	Associate	1	Litigation	\$120	17.0	\$1,632.00
TOTALS					89.3	\$25,682.00

The paraprofessionals who rendered professional service in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years in position	Department	Hourly Billing Rate	Total billed hours	Total compensation
Kristy L. Bergland	Paralegal	23	Litigation	\$150	57.0	\$8,550.00
Samantha Baterson	Legal Asst.	10	Litigation	\$80	10.0	\$800.00
TOTALS					67.0	\$9,350.00

Compensation by Project Category

Category	Total Hours	Total Fees
20-Travel -Non-working	21.4 Hours	\$ 3,109.00
22-ZAI Science Trial	134.9 Hours	\$31,923.00
TOTALS	156.3 Hours	\$35,032.00

23-ZAI Science Trial Expenses

Description	Amount
Computer Assisted Legal Research	
Telephone Expense	\$ 1.16
Telephone Expense - Outside	\$ 566.50
Facsimile (\$1.00 per page)	\$ 46.00
Postage Expense	\$ 7.45
Courier & Express Carriers (Federal Express)	\$ 463.29
In-House Duplicating / Printing (\$.15 per page)	\$ 486.15
Outside Duplicating / Printing (color photocopies)	\$ 4.25
Lodging	\$ 173.55
Transportation	
Air Travel Expense	\$ 499.00
Taxi Expense	\$ 20.00
Mileage Expense	\$ 110.88
Travel Meals	\$ 20.90
Parking	\$ 25.50
General Expense	
Expert Services	
Books/Videos	
Other (Explain): Deposition Transcripts	\$ 1,272.45
Total:	\$ 3,697.08

Dated: July 21, 2003

ELZUFON AUSTIN REARDON
TARLOV & MONDELL, P.A./s/ William D. Sullivan

William D. Sullivan (No. 3368)
Charles J. Brown, III (No. 2820)
300 Delaware Avenue, Suite 1700
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-and-

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FAX: (509) 747-2323
ADDITIONAL SPECIAL COUNSEL
FOR ZAI CLAIMANTS

VERIFICATION

STATE OF WASHINGTON)

COUNTY OF SPOKANE)

Darrell W. Scott, after being duly sworn according to law, deposes and says:

a) I am counsel with the applicant law firm Lukins & Annis, P.S. and have been admitted to appear before this Court.

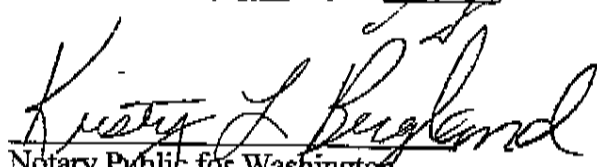
b) I have personally performed many of the legal services rendered by Lukins & Annis, P.S. and am thoroughly familiar with the other work performed on behalf of the ZAI Claimants by the lawyers and paraprofessionals of Lukins & Annis, P.S.

c) I have reviewed the foregoing application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del.Bankr.LR 2016-2 and the 'Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members', signed April 17, 2002, and submit that the Application substantially complies with such Rule and Order.


DARRELL W. SCOTT, ESQ.

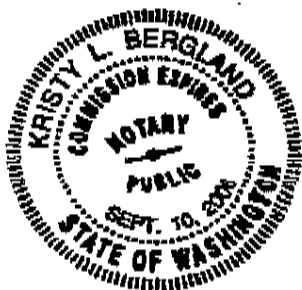
SWORN AND SUBSCRIBED

Before me this 18th day of July, 2003.


Notary Public for Washington

Residing at Spokane

My Commission Expires: 9/10/06



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
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W.R. Grace & Co., <u>et al.</u> ,)	Case No. 01-01139 (JKF)
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Debtors.)	Objection Deadline: August 11, 2003
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**FEE DETAIL SUMMARY OF THE VERIFIED APPLICATION OF LUKINS &
ANNIS, P.S. FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT
OF EXPENSES AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE
INTERIM PERIOD FROM APRIL 1, 2003 THROUGH APRIL 30, 2003**

TIME REPORT

Lukins & Annis, P.S.

Time Period 04/01/2003 - 04/30/2003

CATEGORY 20: TRAVEL-Non-Working

Date	Timekeeper	Description	Hours	Hourly Rate	Total
04/10/03	KEK	Travel to and from Libby, Montana for investigative work (billed at half rate).	6.80	\$ 60.00	\$ 408.00
04/14/03	DWS	Travel to Charleston, South Carolina for expert witness meeting (billed at half rate).	7.00	\$ 185.00	\$ 1,295.00
04/15/03	DWS	Return to Spokane from Charleston, South Carolina (billed at half rate).	7.60	\$ 185.00	\$ 1,406.00
SUBTOTAL			21.40		\$ 3,109.00

CATEGORY 22: ZAI SCIENCE TRIAL

Date	Timekeeper	Description	Hours	Hourly Rate	Total
04/01/03	DWS	Phone conference with ZAI counsel regarding case assignments.	0.10	\$ 370.00	\$ 37.00
04/01/03	KLB	Review time for compliance with fee submittal requirements.	0.80	\$ 150.00	\$ 120.00
04/01/03	SAB	Prepare Fee and Cost Application for January.	2.00	\$ 80.00	\$ 160.00
04/02/03	KLB	Review and revise response to auditor's report.	0.20	\$ 150.00	\$ 30.00
04/02/03	SAB	Review and revise Fee and Cost Application for January.	1.00	\$ 80.00	\$ 80.00
04/03/03	DWS	Review legal memorandum regarding Daubert standards applied to social scientific experts.	0.80	\$ 370.00	\$ 296.00
04/03/03	KLB	Legal research regarding Third Circuit cases in past three years discussing Daubert and/or Kumho Tire decisions.	0.70	\$ 150.00	\$ 105.00
04/03/03	SAB	Review and revise Fee and Cost Application for January.	1.00	\$ 80.00	\$ 80.00
04/04/03	DWS	Review and revise monthly fee and cost requests (.3); review objections to quarterly fee request and review for signature response to	5.60	\$ 370.00	\$ 2,072.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		same (.2); review and finalize verified application regarding fees and costs (.3); study volume one of reliance materials supplied by John Kilpatrick and work regarding preparation for deposition of John Kilpatrick (4.8).			
04/04/03	SAB	Review, revise and finalize Fee and Cost Application for January.	1.00	\$ 80.00	\$ 80.00
04/07/03	DWS	Phone call to Ed Westbrook and Rob Turkewitz regarding consultant cost questions and deposition preparation issues (.2); review correspondence regarding outstanding discovery issues (.1).	0.30	\$ 370.00	\$ 111.00
04/08/03	DWS	Phone conference with Rob Turkewitz regarding case assignments and expert depositions.	0.40	\$ 370.00	\$ 148.00
04/09/03	DWS	Continued review of John Kilpatrick reliance materials (1.2); review of additional causation evidence for submission to consultants (.4); phone conference with ZAI counsel regarding case status and assignments (.3).	1.90	\$ 370.00	\$ 703.00
04/09/03	KLB	Telephone call to homeowner regarding real estate issues.	0.20	\$ 150.00	\$ 30.00
04/09/03	KLB	Review of time descriptions for monthly fee submittal.	0.50	\$ 150.00	\$ 75.00
04/09/03	KLB	Office conference with partner regarding research needed in area of property damages arising in tort with no physical injury.	0.70	\$ 150.00	\$ 105.00
04/09/03	SAB	Prepare Fee and Cost Application for February.	2.00	\$ 80.00	\$ 160.00
04/10/03	KEK	Investigative work in Libby, Montana.	2.20	\$ 120.00	\$ 264.00
04/14/03	KEK	Draft memorandum regarding investigative work in Libby, Montana.	0.50	\$ 120.00	\$ 60.00
04/14/03	KLB	Message from Ralph Busch regarding ZAI claim (.1); updates to database on Zonolite issues (.4).	0.50	\$ 150.00	\$ 75.00
04/15/03	DWS	Meeting with ZAI counsel and expert witnesses.	7.00	\$ 370.00	\$ 2,590.00
04/15/03	KLB	Shepardize case law relating to the economic	2.00	\$ 150.00	\$ 300.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		loss doctrine and property damage arising in tort (.5); pull and begin review of additional case law (.5); review and organize Law Review articles and ALRs regarding the economic loss doctrine (1.0).			
04/15/03	KLB	Shepardize case law relating to the economic loss doctrine and property damage arising in tort (.7); pull and begin review of additional case law (.3).	1.00	\$ 150.00	\$ 150.00
04/16/03	DWS	Review communications regarding expert witness scheduling and outstanding discovery issue (.1); work regarding scheduling and preparation for Kilpatrick deposition (.1); meeting with paralegal regarding same (.1); review expert witness report and test data of Lec (.4); factual research regarding ZAI home sales exemplars (.4); draft correspondence to ZAI claimants regarding same (.4).	1.50	\$ 370.00	\$ 555.00
04/16/03	KLB	Review of February time and costs for fee submittal to auditor (.4); meeting with partner regarding Kilpatrick deposition preparation (.1).	0.50	\$ 150.00	\$ 75.00
04/18/03	DWS	Review multiple correspondence regarding scheduling of expert depositions and communication of reliance materials (.2); work with Kilpatrick's office regarding request from Grace counsel concerning deposition schedule changes (.1).	0.30	\$ 370.00	\$ 111.00
04/18/03	KLB	Legal research regarding economic loss and asbestos removal cases (1.4); begin preparation of excerpts from key articles and cases into database (1.0).	2.40	\$ 150.00	\$ 360.00
04/21/03	DWS	Meeting with associate and paralegal regarding case assignments and case status (1.3); review and respond to correspondence regarding follow-up with EPA regarding testing results (.2).	1.50	\$ 370.00	\$ 555.00
04/21/03	KEK	Meeting with partner and paralegal regarding ZAI claims.	1.30	\$ 120.00	\$ 156.00
04/21/03	KLB	Meeting with partner and associate to discuss preparation for ZAI Science Trial, research needed, and information to provide to experts	2.00	\$ 150.00	\$ 300.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		(1.3); begin compilation of testimony from homeowners relating to property issues for Expert (.7).			
04/21/03	KLB	Research regarding Economic Loss Doctrine: begin state by state analysis of positions regarding economic loss and exceptions to the doctrine and work on preparation of State Chart (2.8); review DEQ web site for information posted on Zonolite (.2).	3.00	\$ 150.00	\$ 450.00
04/22/03	DWS	Phone call from co-counsel regarding depositions and discovery issues (.3); phone call from Zonolite claimants regarding potential data pertinent to expert testimony (.3); phone conference with ZAI counsel regarding case status and case assignments (.2).	0.80	\$ 370.00	\$ 296.00
04/22/03	KEK	Conference with Wendi Thoms, Superfund records center and Kelcey Land regarding lethality of small exposures to tremolite (.5); email to Dr. Miller of EPA requesting more information regarding the above documents (.2).	0.70	\$ 120.00	\$ 84.00
04/22/03	KLB	Work on Compilation of Deposition excerpts relating to loss of use of property, abatement costs/concerns, and property value issues for Expert, including review and summary of homeowner depositions taken in 2000 and their summaries (3.0), review and summary of witness Clarke Russ (1.2), review and summary of witness Leon Cohen (.8).	5.00	\$ 150.00	\$ 750.00
04/23/03	DWS	Legal research regarding applicability of RCW and WAC to residential properties, public notification regarding same (3.0); study exhibit materials pertinent to opinions of real estate economist (1.1).	4.10	\$ 370.00	\$ 1,517.00
04/23/03	KEK	Call to Dr. Miller regarding EPA documents (.7); call to Ms. Medermott of EPA regarding documents (.5).	1.20	\$ 120.00	\$ 144.00
04/23/03	KEK	Calls to individuals regarding difficulties encountered in selling homes with ZAI.	0.80	\$ 120.00	\$ 96.00
04/23/03	KLB	Completion of Compilation of Deposition excerpts relating to loss of use of property,	6.50	\$ 150.00	\$ 975.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		abatement costs/concerns, and property value issues for Expert, including continued review and summary of homeowner depositions taken in 2000 and their summaries (1.8), review and summary of witness Gladwin Worden deposition (1.5); review and summary of Harlow Casler deposition (1.5); review and summary of Massachusetts class action depositions (1.2); preparation of index page (.5).			
04/24/03	DWS	Review memorandum and summary regarding ZAI deposition testimony on real estate causation issues (.5); continued legal research regarding application of federal and state regulations to real estate causation questions (4.3); study updated consultant expert testing results (.3).	5.10	\$ 370.00	\$ 1,887.00
04/24/03	KEK	Investigation regarding exemplar ZAI home sales.	0.30	\$ 120.00	\$ 36.00
04/24/03	KLB	Review various Washington agency web sites, including county air quality web sites for information on asbestos removal requirements.	1.50	\$ 150.00	\$ 225.00
04/24/03	SAB	Review and revise Fee and Cost Application for February.	1.00	\$ 80.00	\$ 80.00
04/25/03	DWS	Review and revise report of deposition excerpts of all ZAI homeowners and preparation of report to expert regarding same (1.1); review and revise report regarding applicability of state and local asbestos regulations to economic analyses (1.6).	2.70	\$ 370.00	\$ 999.00
04/25/03	KEK	Search for contact information of individuals who reported having difficulties selling homes containing ZAI.	0.60	\$ 120.00	\$ 72.00
04/25/03	KLB	Revisions to compilation of deposition excerpts for Expert (.5); review and summarize into Expert report excerpts from Paul Price deposition (2.0); review and summarize into Expert report excerpts from John Prebil deposition (1.5).	4.00	\$ 150.00	\$ 600.00
04/25/03	SAB	Revise and finalize Fee and Cost Application for February.	2.00	\$ 80.00	\$ 160.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
04/28/03	DWS	Review memoranda and updates regarding fiber count issues (.3); review and respond to correspondence regarding deposition preparation issues (.2); study risk assessment analyses and research impact on property damage causation issues (2.0); study expert reports and supporting materials of Corn, Ilgren, and Highson (3.0); review and revise summary materials regarding Grace expert opinions for submission to consultant (.7); additional legal research regarding applicability of and impact of local asbestos regulations on named ZAI claimants property claims (1.2).	7.40	\$ 370.00	\$ 2,738.00
04/28/03	KEK	Contacted individuals who reported difficulties selling homes with ZAI (1.9); wrote letters to Mr. Schwab and Mr. Schlucks regarding same (.5).	2.40	\$ 120.00	\$ 288.00
04/28/03	KLB	Incorporate excerpts from additional claimant homeowners into Excerpt Compilation for Expert (3.1); draft letter to Expert (.2); revisions to Excerpt Compilation (.5); Internet research to obtain selected air quality regulations (1.5); design database for use in compiling excerpts from public agency warnings (.8); Begin review of EPA documents for excerpts to include in summary (.4).	6.50	\$ 150.00	\$ 975.00
04/29/03	DWS	Study cleavage fragment opinions of Lee, conduct legal and factual research regarding impacts of cleavage fragment issues on property damage claims (5.2); phone call to consultant regarding cost accounting and fee issues (.2); research applicability of ZAI claimants state asbestos regulations regarding cleavage fragment issues and imposition of burdens on property (2.2); phone conference with ZAI counsel regarding case status and assignments, preparation of additional materials for consultant and state law based cleavage fragment issues (.8); review and revise monthly fee and cost statement (.3).	8.70	\$ 370.00	\$ 3,219.00
04/29/03	DWS	Study selected Lee reliance materials pertinent to real estate economists opinions.	2.10	\$ 370.00	\$ 777.00
04/29/03	KEK	Discussion with Wendi Thoms of EPA regarding retrieval of EPA documents without having to	0.20	\$ 120.00	\$ 24.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		process a FOIA request.			
04/29/03	KLB	Review and compile excerpts from numerous public agencies for Expert (6.6); Internet research to obtain regulations and documents referenced by Grace Expert (2.5); telephone call to and from Consultant (.2); prepare materials for consultant's review (1.0); telephone call from co-counsel requesting legal research (.1); letter to Expert Kilpatrick confirming deposition (.1).	10.50	\$ 150.00	\$ 1,575.00
04/30/03	DWS	Study additional reliance materials in preparation for deposition of property damage causation expert (2.2); review legal research and study lead case law regarding property damage elements under potentially applicable single state law (3.1); draft memorandum regarding same (.3); review and revise compendium of public health agency advice impacting real estate economic issues (.6); review memorandum and case law regarding applicability of Massachusetts CPA law and economic loss issues (.5); draft memorandum to ZAI counsel regarding same (.1).	6.80	\$ 370.00	\$ 2,516.00
04/30/03	DWS	Review memorandum and applicable state regulations regarding California ZAI Science Trial claimant and expert property damage causation opinions (.5); review and respond to memorandum from ZAI counsel regarding same (.1).	0.60	\$ 370.00	\$ 222.00
04/30/03	KLB	Legal research relating to Economic Loss Doctrine in claimant state and compile excerpts from key case law (2.5); revisions to legal memo regarding consumer products laws of claimant state (.7); internet research regarding obtaining of articles references in real estate literature (.5); additional review of public agency warnings and incorporation of excerpts into compilation for Expert (3.0); revisions to agency warning excerpts (.7); letter to Expert (.1); review prior legal research and memoranda relating to state consumer protection laws (1.0).	8.50	\$ 150.00	\$ 1,275.00
SUBTOTAL			134.90		\$ 31,923.00

Date	Timekeeper Description	Hours	Hourly Rate	Total
	TIME TOTAL:	156.30		\$ 35,032.00

COST REPORT

Lukins & Annis, P.S.

Time Period 04/01/2003 - 04/30/2003

DATE	DESCRIPTION	CHARGE
04/01/03	Photocopies	\$ 0.30
04/01/03	Photocopies	\$ 0.60
04/02/03	Photocopies	\$ 6.90
04/02/03	Photocopies	\$ 0.15
04/03/03	Deposition Transcript - Rand T. Hatch taken 3/12/03	\$ 148.20
04/03/03	Deposition Transcript - Kurt Salisbury taken 3/11/03	\$ 325.30
04/03/03	Deposition Transcripts - Jerri & Shawn Dillon taken 3/3/03	\$ 622.60
04/03/03	Deposition Transcript - Ralph Busch taken 3/10/03	\$ 176.35
04/03/03	Photocopies	\$ 40.20
04/04/03	Federal Express Postage	\$ 17.27
04/04/03	Federal Express Postage	\$ 14.30
04/04/03	Federal Express Postage	\$ 14.30
04/04/03	Federal Express Postage	\$ 13.40
04/04/03	Conference Call 01/07/03 (posted 04/04/03)	\$ 68.25
04/04/03	Conference Call 01/14/03 (posted 04/04/03)	\$ 27.78
04/04/03	Conference Call 01/21/03 (posted 04/04/03)	\$ 134.99
04/04/03	Conference Call 01/28/03 (posted 04/04/03)	\$ 119.37
04/04/03	Conference Call 02/04/03 (posted 04/04/03)	\$ 19.26
04/04/03	Conference Call 02/11/03 (posted 04/04/03)	\$ 122.21
04/04/03	Conference Call 02/25/03 (posted 04/04/03)	\$ 74.64
04/04/03	Photocopies	\$ 129.60

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
04/04/03	Photocopies	\$ 0.60
04/04/03	Photocopies	\$ 0.60
04/07/03	Postage	\$ 3.95
04/07/03	Photocopies	\$ 0.75
04/07/03	Photocopies	\$ 0.60
04/08/03	Photocopies	\$ 0.15
04/08/03	Photocopies	\$ 0.30
04/08/03	Photocopies	\$ 0.45
04/08/03	Photocopies	\$ 0.45
04/08/03	Photocopies	\$ 0.45
04/09/03	Photocopies	\$ 2.40
04/09/03	Photocopies	\$ 6.90
04/09/03	Photocopies	\$ 0.90
04/10/03	Photocopies	\$ 1.20
04/10/03	Photocopies	\$ 0.60
04/10/03	Photocopies	\$ 0.45
04/10/03	Photocopies	\$ 0.90
04/10/03	Photocopies	\$ 0.30
04/10/03	Mileage - Kelly E. Konkright roundtrip to Libby, MT for investigative work	\$ 110.88
04/10/03	Meals - Kelly E. Konkright at Henry's for investigative work in Libby, MT	\$ 10.00
04/11/03	Photocopies	\$ 0.90
04/15/03	Plane Fare - Darrell W. Scott for meeting in Charleston, SC	\$ 499.00

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
04/15/03	Lodging - Darrell W. Scott at Hilton Charleston for meeting in Charleston, SC	\$ 173.55
04/15/03	Cab Fare - Darrell W. Scott for meeting in Charleston, SC	\$ 20.00
04/15/03	Meals - Darrell W. Scott for meeting in Charleston, SC	\$ 6.62
04/15/03	Meals - Darrell W. Scott for meeting in Charleston, SC	\$ 4.28
04/15/03	Parking - Darrell W. Scott at Spokane International Airport for meeting in Charleston, SC	\$ 25.50
04/16/03	Federal Express Postage	\$ 30.26
04/16/03	Federal Express Postage	\$ 30.89
04/16/03	Federal Express Postage	\$ 29.42
04/16/03	Federal Express Postage	\$ 30.26
04/16/03	Federal Express Postage	\$ 18.41
04/16/03	Federal Express Postage	\$ 30.89
04/16/03	Federal Express Postage	\$ 30.89
04/16/03	Federal Express Postage	\$ 44.94
04/16/03	Federal Express Postage	\$ 33.86
04/16/03	Federal Express Postage	\$ 71.32
04/16/03	Photocopies	\$ 1.20
04/16/03	Photocopies	\$ 1.20
04/16/03	Photocopies	\$ 0.45
04/16/03	Photocopies	\$ 0.15
04/17/03	Federal Express Postage	\$ 52.88
04/18/03	Telecopier Service (44 pages) (4/18/03 is posting date)	\$ 44.00

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
04/18/03	Color Photocopies	\$ 4.25
04/18/03	Photocopies	\$ 2.55
04/18/03	Photocopies	\$ 0.90
04/18/03	Photocopies	\$ 1.05
04/18/03	Photocopies	\$ 0.60
04/21/03	Photocopies	\$ 0.30
04/21/03	Photocopies	\$ 1.80
04/21/03	Photocopies	\$ 3.00
04/22/03	Photocopies	\$ 1.80
04/22/03	Photocopies	\$ 3.00
04/22/03	Photocopies	\$ 0.30
04/23/03	Photocopies	\$ 3.90
04/24/03	Photocopies	\$ 0.60
04/28/03	Photocopies	\$ 74.70
04/28/03	Photocopies	\$ 0.15
04/28/03	Photocopies	\$ 0.45
04/28/03	Photocopies	\$ 0.60
04/28/03	Photocopies	\$ 0.45
04/28/03	Photocopies	\$ 0.45
04/28/03	Photocopies	\$ 34.95
04/28/03	Long Distance Charges	\$ 0.60
04/29/03	Photocopies	\$ 28.80
04/29/03	Photocopies	\$ 80.55
04/29/03	Photocopies	\$ 0.30

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
04/30/03	Postage	\$ 3.50
04/30/03	Photocopies	\$ 2.10
04/30/03	Photocopies	\$ 4.05
04/30/03	Photocopies	\$ 12.30
04/30/03	Photocopies	\$ 0.75
04/30/03	Photocopies	\$ 0.75
04/30/03	Photocopies	\$ 0.30
04/30/03	Photocopies	\$ 9.90
04/30/03	Photocopies	\$ 1.80
04/30/03	Photocopies	\$ 4.80
04/30/03	Photocopies	\$ 7.80
04/30/03	Photocopies	\$ 0.30
04/30/03	Photocopies	\$ 0.45
04/30/03	Telecopier Service - (2 pages) (4/30/03 is posting date)	\$ 2.00
04/30/03	Long Distance Charges	\$ 0.56
Total		\$ 3,697.08

VERIFICATION

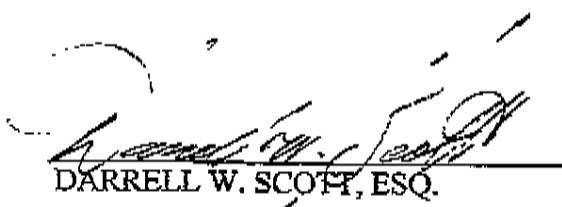
STATE OF WASHINGTON)
)
COUNTY OF SPOKANE)

Darrell W. Scott, after being duly sworn according to law, deposes and says:

a) I am counsel with the applicant law firm Lukins & Annis, P.S. and have been admitted to appear before this Court.

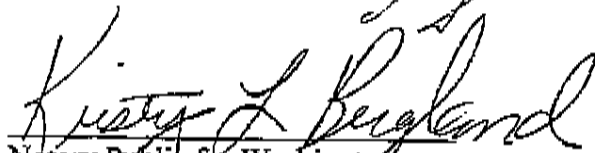
b) I have personally performed many of the legal services rendered by Lukins & Annis, P.S. and am thoroughly familiar with the other work performed on behalf of the ZAI Claimants by the lawyers and paraprofessionals of Lukins & Annis, P.S.

c) I have reviewed the foregoing application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del.Bankr.LR 2016-2 and the 'Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members', signed April 17, 2002, and submit that the Application substantially complies with such Rule and Order.


DARRELL W. SCOTT, ESQ.

SWORN AND SUBSCRIBED

Before me this 18th day of July, 2003.


Notary Public for Washington
Residing at Spokane
My Commission Expires: 9/10/06



CERTIFICATE OF SERVICE

I, William D. Sullivan, hereby certify that I caused a copy of the foregoing
*Verified Application of Lukins & Annis, P.S. for Compensation for Services and
Reimbursement of Expenses as ZAI Additional Special Counsel for the Interim Period
from April 1, 2003 through April 30, 2003* to be served upon those parties identified on
the attached service list via hand delivery or US Mail.

Dated: July 21, 2003

/s/ William D. Sullivan
William D. Sullivan

SERVICE LIST

Laura Davis Jones, Esquire
David Carickoff, Esquire
Pachulski, Stang, Ziehl, Young & Jones
919 North Market Street, 16th Floor
Wilmington, DE 19899-8705

Hamid R. Rafatjoo, Esquire
Pachulski, Stang, Ziehl, Young & Jones
10100 Santa Monica Boulevard
Los Angeles, CA 90067-4100

David M. Bernick, Esquire
James Kapp, III, Esquire
Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601

David B. Seigel
W.R. Grace and Co.
7500 Grace Drive
Columbia, MD 21044

Michael R. Lastowski, Esquire
Duane Morris & Heckscher LLP
1100 North Market Street, Suite 1200
Wilmington, DE 19801-1246

Lewis Kruger, Esquire
Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038-4982

William S. Katchen, Esquire
Duane, Morris & Heckscher LLP
One Riverfront Plaza, 2nd Floor
Newark, NJ 07102

J. Douglas Bacon, Esquire
Latham & Watkins
Sears Tower, Suite 5800
Chicago, IL 60606

Steven M. Yoder, Esquire
The Bayard Firm
222 Delaware Avenue, Suite 900
P.O. Box 25130
Wilmington, DE 19899

Michael B. Joseph, Esquire
Ferry & Joseph, P.A.
824 Market Street, Suite 904
P.O. Box 1351
Wilmington, DE 19899

Scott L. Baena, Esquire
Bilzin Sumberg Dunn Baena
Price & Axelrod, LLP
First Union Financial Center
200 South Biscayne Boulevard, Suite 2500
Miami, FL 33131

Matthew G. Zaleski, III, Esquire
Campbell & Levine
800 King Street, Suite 300
Wilmington, DE 19801

Elihu Inselbuch, Esquire
Rita Tobin, Esquire
Caplin & Drysdale, Chartered
399 Park Avenue, 27th Floor
New York, NY 10022

Peter Van N. Lockwood, Esquire
Julie W. Davis, Esquire
Trevor W. Swett, III, Esquire
Nathan D. Finch, Esquire
Caplin & Drysdale, Chartered
One Thomas Circle, N.W.
Washington, DC 20005

Teresa K.D. Currier, Esquire
Klett, Rooney, Lieber & Schorling
1000 West Street, Suite 1410
Wilmington, DE 19801

Philip Bentley, Esquire
Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, NY 10022

Frank J. Perch, Esquire
Office of the United States Trustee
844 King Street, Room 2313
Lockbox 35
Wilmington, DE 19801

Mark D. Collins, Esquire
Deborah E. Spivack, Esquire
Richards, Layton & Finger, P.A.
One Rodney Square
P.O. Box 551
Wilmington, DE 19899

James J. Restivo, Jr., Esquire
Reed Smith LLP
435 Sixth Avenue
Pittsburgh, PA 15219-1886

William J.A. Sparks, Esquire
W.R. Grace & Company
919 N. Market, Suite 460
Wilmington, DE 19899

Warren H. Smith
Warren H. Smith and Associates
900 Jackson Street
120 Founders Square
Dallas, TX 75202

EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
W.R. Grace & Co., <u>et al.</u>	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
)	
Debtors.	)	Objection Deadline: August 20, 2003
	)	Hearing Date: TBD only if necessary

**SUMMARY OF THE VERIFIED APPLICATION OF LUKINS & ANNIS, P.S.
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF
EXPENSES AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE INTERIM
PERIOD FROM MAY 1, 2003 THROUGH MAY 31, 2003**

Name of Applicant:	Lukins & Annis, P.S.
Authorized to Provide Professional Services to:	Zonolite Attic Insulation Claimants
Date of Appointment:	July 22, 2002
Period for which compensation and Reimbursement is sought:	May 1, 2003 through May 31, 2003
Amount of Compensation sought as actual, Reasonable, and necessary:	\$30,578.00
Amount of Expenses Reimbursement:	\$ 2,063.15
This is a: <input checked="" type="checkbox"/> monthly <input type="checkbox"/> interim <input type="checkbox"/> final application	
Prior Application filed: Yes	

Date Filed	Period Covered	Requested Fees	Requested Expenses	Status of Fees	Status of Expenses
11/15/02	7/21/02 - 9/30/02	\$37,691.00	\$3,422.38	Approved	Approved
12/05/02	10/1/02 - 10/31/02	\$24,143.00	\$728.96	Approved	Approved
02/10/03	11/1/02 - 11/30/02	\$32,033.00	\$629.26	Approved	Approved
02/27/03	12/1/02 - 12/31/02	\$32,330.00	\$1,262.74	Approved	Approved
04/09/03	01/1/03 - 01/31/03	\$41,977.00	\$2,033.90	No Objections served on counsel	No Objections served on counsel
05/06/03	02/1/03 - 02/28/03	\$22,950.00	\$3,192.89	No Objections served on counsel	No Objections served on counsel
06/02/03	03/1/03 - 03/31/03	\$40,463.00	\$7,696.91	No Objections served on counsel	No Objections served on counsel
07/21/03	04/1/03 - 04/30/03	\$35,032.00	\$3,697.08	Objections due 08/11/03	Objections due 08/11/03

This is the ninth Lukins & Annis application for monthly interim compensation of services filed with the Bankruptcy Court in this Chapter 11 case.

The total expended for the preparation of this application is approximately 6 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$565.00.

The Lukins & Annis attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly Billing Rate	Total billed hours	Total compensation
Darrell W. Scott	Partner	13	Litigation	\$370	67.9	\$24,383.00
Kelly E. Konkright	Associate	1	Litigation	\$120	9.9	\$780.00
TOTALS					77.8	\$25,163.00

The paraprofessionals who rendered professional service in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years in position	Department	Hourly Billing Rate	Total billed hours	Total compensation
Kristy L. Bergland	Paralegal	23	Litigation	\$150	32.9	\$4,935.00
Samantha Batorson	Legal Asst.	10	Litigation	\$80	6.0	\$480.00
TOTALS					38.9	\$5,415.00

Compensation by Project Category

Category	Total Hours	Total Fees
20-Travel-Non-working	10.8 Hours	\$ 1,148.00
22-ZAI Science Trial	105.9 Hours	\$29,430.00
TOTALS	116.7 Hours	\$30,578.00

23-ZAI Science Trial Expenses

Description	Amount
Computer Assisted Legal Research	
Telephone Expense	\$ 32.55
Telephone Expense – Outside	\$ 347.55
Facsimile (\$1.00 per page)	\$ 34.00
Postage Expense	\$ 11.14
Courier & Express Carriers (Federal Express)	\$ 150.32
In-House Duplicating / Printing (\$.15 per page)	\$ 524.85
Outside Duplicating / Printing	
Lodging	\$ 434.82
Transportation	
Air Travel Expense	\$ 194.00
Taxi Expense	\$ 60.00
Mileage Expense	\$ 110.88
Travel Meals	\$ 54.68
Parking	\$ 29.75
General Expense	
Expert Services	
Books/Videos	\$ 78.61
Other (Explain):	
Total:	\$ 2,063.15

Dated: July 31, 2003

ELZUFON AUSTIN REARDON
TARLOV & MONDELL, P.A.

/s/ William Sullivan

William D. Sullivan (No. 2820)
Charles J. Brown, III (No. 3368)
300 Delaware Avenue, Suite 1700
P.O. Box 1630
Wilmington, DE 19899
Phone: (302) 428-3181
FAX: (302) 777-7244

-and-

Darrell W. Scott, Esq.
Lukins & Annis, P.S.
717 W. Sprague Avenue, Suite 1600
Spokane, WA 99201
Phone: (509) 455-9555
FAX: (509) 747-2323

ADDITIONAL SPECIAL COUNSEL
FOR ZAI CLAIMANTS

VERIFICATION


STATE OF WASHINGTON)
)
COUNTY OF SPOKANE)

Darrell W. Scott, after being duly sworn according to law, deposes and says:


a) I am counsel with the applicant law firm Lukins & Annis, P.S. and have been admitted to appear before this Court.

b) I have personally performed many of the legal services rendered by Lukins & Annis, P.S. and am thoroughly familiar with the other work performed on behalf of the ZAI Claimants by the lawyers and paraprofessionals of Lukins & Annis, P.S.

c) I have reviewed the foregoing application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del.Bankr.LR 2016-2 and the 'Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members', signed April 17, 2002, and submit that the Application substantially complies with such Rule and Order.


DARRELL W. SCOTT, ESQ.

SWORN AND SUBSCRIBED
Before me this 23rd day of July, 2003.


Notary Public for Washington
Residing at Spokane
My Commission Expires: 3/2/04



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
W.R. Grace & Co., <u>et al.</u>,	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
)	
Debtors.	)	Objection Deadline: August 18, 2003
	)	Hearing Date: TBD only if necessary

**FEE DETAIL OF THE VERIFIED APPLICATION OF LUKINS & ANNIS, P.S.
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF
EXPENSES AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE INTERIM
PERIOD FROM MAY 1, 2003 THROUGH MAY 31, 2003**

TIME REPORT

Lukins & Annis, P.S.

Time Period 05/01/2003 - 05/31/2003

CATEGORY 20: TRAVEL-Non-Working

Date	Timekeeper	Description	Hours	Hourly Rate	Total
05/05/03	DWS	Travel to Seattle for meeting with consultant (billed at half rate).	2.00	\$ 185.00	\$ 370.00
05/08/03	KEK	Travel to and from Libby, Montana for investigative work (billed at half rate).	6.80	\$ 60.00	\$ 408.00
05/11/03	DWS	Return to Spokane from deposition and consultations in Seattle (billed at half rate).	2.00	\$ 185.00	\$ 370.00
SUBTOTAL			10.80		\$ 1,148.00

CATEGORY 22: ZAI SCIENCE TRIAL

Date	Timekeeper	Description	Hours	Hourly Rate	Total
05/01/03	DWS	Investigative work regarding updates to EPA risk assessment methodology (.8); review and revise fees and costs request materials (.3); review analysis of ZAI home distribution (.5); review real estate finance and economic literature regarding property loss causation in asbestos cases (1.6); review real estate research materials regarding causation issues (1.2); preparation for deposition of John Kilpatrick (1.4).	5.80	\$ 370.00	\$ 2,146.00
05/01/03	KLB	Update to spreadsheet regarding Zonolite production by state (.8); revisions to legal memorandum on consumer protection (.5); research federal and claimant states regarding asbestos regulations/statutes (6.0); begin comparison chart of state regulations (.7).	8.00	\$ 150.00	\$ 1,200.00
05/02/03	DWS	Meeting with paralegal regarding case assignments (.3); additional preparation work regarding deposition of John Kilpatrick (3.0); review updated economic research regarding asbestos property loss (1.3); telephone conference with Rob Turkewitz and Jay Ward regarding expert and liability issues (.5); review and revise legal memorandum to Ed	5.60	\$ 370.00	\$ 2,072.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		Westbrook and assessment of claims (.5).			
05/02/03	DWS	Legal research regarding consumer protection issues.	2.20	\$ 370.00	\$ 814.00
05/02/03	KLB	Revision to legend to production sales spreadsheet (.3); research regarding obtaining certain articles/literature referenced in reliance materials (.8); continue research on asbestos regulations for Washington (1.4); prepare summary and obtain complete referenced statute/regulation showing exemplars of Washington regulations for expert (4.0).	6.50	\$ 150.00	\$ 975.00
05/05/03	DWS	Review additional expert witness materials regarding meeting with John Kilpatrick (1.6); meeting with consulting expert (4.5).	6.10	\$ 370.00	\$ 2,257.00
05/05/03	KEK	Calls to EPA contact Wendi Thomi regarding retrieval of EPA documents to W.R. Grace.	0.40	\$ 120.00	\$ 48.00
05/05/03	KLB	Review time and costs for March in preparation of Request for Attorneys Fees and Costs.	1.00	\$ 150.00	\$ 150.00
05/05/03	KLB	Obtain additional real estate and valuation articles and reliance data for Darrell W. Scott in preparation for expert deposition.	1.40	\$ 150.00	\$ 210.00
05/05/03	SAB	Prepare Fee and Cost Application for March.	2.00	\$ 80.00	\$ 160.00
05/06/03	DWS	Pre-deposition meeting with consultant (1.0); defend deposition of John Kilpatrick (6.5).	7.50	\$ 370.00	\$ 2,775.00
05/06/03	KEK	Phone call to Kelci Land regarding my FOIA request for EPA documents.	0.10	\$ 120.00	\$ 12.00
05/07/03	DWS	Meeting with consultants regarding Grace expert reports.	6.00	\$ 370.00	\$ 2,220.00
05/08/03	KEK	Investigative work in Libby, Montana.	2.20	\$ 120.00	\$ 264.00
05/12/03	DWS	Phone call from co-counsel regarding deposition results (.3); review EPA FOIA materials pertinent to Grace expert opinions (2.2); study updates regarding medical research and short term vermiculite exposure (1.1); review updates to exhibits regarding ZAI property sales damages (.4).	4.00	\$ 370.00	\$ 1,480.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
05/12/03	KEK	Received EPA documents and forwarded to Darrell W. Scott.	0.10	\$ 120.00	\$ 12.00
05/12/03	KLB	Office conference with partner regarding meeting with consulting expert and research needed (.4); Internet research regarding countries that have banned asbestos (.6); review Legislation on proposed ban of asbestos (.5); obtain medical articles on tremolite case studies (1.3); letter to co-counsel providing FOIA documents (.2).	3.00	\$ 150.00	\$ 450.00
05/13/03	DWS	Phone call from co-counsel regarding Gobbel deposition (.2); follow-up research regarding home demolition issues (.4); prepare updated reliance materials regarding John Kilpatrick (.3); meeting with paralegal regarding same (.1); phone call to consultant regarding follow-up research issues (.2); research regarding state economic loss issues pertinent to ZAI science trial claimants (1.4).	2.60	\$ 370.00	\$ 962.00
05/13/03	DWS	Meeting with paralegal regarding research projects pertinent to motion practice and update to reliance materials (.5); phone call to co-counsel regarding updating of reliance materials (.1); phone call to counsel regarding choice of law question (.2); phone call from John Kilpatrick regarding follow-up research tasks (.1); review paralegal analysis regarding ZAI claimant state health agency advisories (.2); follow-up with paralegal regarding same (.2); phone conference with ZAI counsel regarding case status, case assignments, and motion practice issues (1.0); review additional exhibit materials for inclusion in supplemental reliance materials (.4).	2.70	\$ 370.00	\$ 999.00
05/13/03	DWS	Phone call from Montana ZAI counsel regarding motion practice (.2); review transmitted case regarding ZAI science trial issues (.3); phone call from California counsel regarding ZAI science trial motion and prepare response to request (.5).	1.00	\$ 370.00	\$ 370.00
05/13/03	KLB	Letter to co-counsel regarding case study (.2); letter to expert regarding information from	5.00	\$ 150.00	\$ 750.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		homeowner (.3); office conference with partner regarding research needed and compiling supplemental reliance materials (.4); compile potential supplemental reliance materials (2.5); compile expert materials for co-counsel (.5); begin legal research on key Daubert issues (1.1).			
05/14/03	DWS	Analyze legal research regarding anticipated ZAI science trial motion practice (4.1); review case law forwarded by co-counsel (.4); meeting with paralegal regarding motion practice case assignments (.2); review ZAI counsel communications regarding dust testing issues (.1); final review of proposed additional reliance materials (.6).	5.40	\$ 370.00	\$ 1,998.00
05/14/03	KLB	Letter to co-counsel providing list and copies of Supplemental Reliance materials (.8); research Washington case law on key issues relating to property damages (5.2)	6.00	\$ 150.00	\$ 900.00
05/15/03	DWS	Phone call to co-counsel regarding status conference and briefing issues.	0.30	\$ 370.00	\$ 111.00
05/15/03	KLB	Legal research regarding Daubert and accepted methodologies.	2.00	\$ 150.00	\$ 300.00
05/16/03	DWS	Phone call to Ed Westbrook regarding case assignment issues and strategy.	0.20	\$ 370.00	\$ 74.00
05/19/03	DWS	Phone call from co-counsel regarding briefing issues (.2); review legal memoranda and key case law pertinent to substantive state law claims and anticipated motion practice(4.2).	4.40	\$ 370.00	\$ 1,628.00
05/19/03	KEK	Draft summary of investigative work done in Libby, Montana.	0.30	\$ 120.00	\$ 36.00
05/20/03	DWS	Phone conference with ZAI counsel regarding briefing issues (.8); continued legal research pertaining to dispositive motion practice (3.5); review database records/reports (.1); communicate with ZAI counsel regarding same (.1).	4.50	\$ 370.00	\$ 1,665.00
05/21/03	DWS	Review multiple deposition analyses from ZAI counsel (1.1); review EPA ZAI announcements	1.90	\$ 370.00	\$ 703.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		(.3); prepare communications to ZAI claimants regarding same (.2); prepare communication to expert regarding EPA ZAI announcements (.2); phone call to co-counsel regarding same (.1).			
05/21/03	SAB	Review and revise Fee and Cost Application for March.	1.00	\$ 80.00	\$ 80.00
05/22/03	DWS	Phone call from co-counsel regarding EPA advisory (.3); review legal memorandum from ZAI counsel regarding anticipated briefing (.3); prepare additional reliance materials for consultant (.1); draft letter to the ZAI claimants regarding EPA release (.3); phone call from ZAI claimant regarding same (.2).	1.20	\$ 370.00	\$ 444.00
05/22/03	SAB	Review and revise Fee and Cost Application for March.	1.00	\$ 80.00	\$ 80.00
05/23/03	DWS	Phone conference with Ed Westbrook, Rob Turkewitz, and Bobby Wood regarding EPA disclosures and briefing issues (.5); final review and monthly cost and fee statements (.4); analyze updated EPA testing materials regarding ZAI exposure (.6).	1.50	\$ 370.00	\$ 555.00
05/23/03	SAB	Finalize Fee and Cost Application for March. Prepare and Finalize Quarterly Fee Application.	2.00	\$ 80.00	\$ 160.00
05/28/03	DWS	Review communication from ZAI claimant regarding additional factual support (.1); review recent construction publication regarding ZAI (.1); communicate to co-counsel regarding same (.1); study caselaw regarding property damage in CPA context (.3).	0.60	\$ 370.00	\$ 222.00
05/30/03	DWS	Review and respond to communications from co-counsel regarding anticipated briefing (.2); phone call to expert regarding research matters (.2).	0.40	\$ 370.00	\$ 148.00
SUBTOTAL			105.90		\$ 29,430.00
TIME TOTAL:			116.70		\$ 30,578.00

COST REPORT

Lukins & Annis, P.S.

Time Period 05/01/2003 - 05/31/2003

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
05/01/03	Photocopies	\$ 2.40
05/01/03	Photocopies	\$ 3.00
05/02/03	Photocopies	\$ 0.90
05/02/03	Photocopies	\$ 46.35
05/02/03	Photocopies	\$ 47.10
05/02/03	Photocopies	\$ 13.20
05/02/03	Photocopies	\$ 0.15
05/02/03	Photocopies	\$ 7.05
05/02/03	Long Distance Charges	\$ 17.37
05/02/03	Long Distance Charges	\$ 0.32
05/05/03	Photocopies	\$ 1.20
05/05/03	Photocopies	\$ 0.90
05/05/03	Photocopies	\$ 12.75
05/05/03	Photocopies	\$ 0.30
05/05/03	Photocopies	\$ 0.15
05/05/03	Long Distance Charges	\$ 0.32
05/06/03	Conference Call 03/04/03 (posted 05/06/03)	\$ 155.58
05/06/03	Conference Call 03/18/03 (posted 05/06/03)	\$ 46.24
05/06/03	Conference Call 03/25/03 (posted 05/06/03)	\$ 78.90
05/06/03	Conference Call 04/01/03 (posted 05/06/03)	\$ 66.83
05/06/03	Photocopies	\$ 6.30
05/06/03	Photocopies	\$ 1.50

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
05/06/03	Photocopies	\$ 2.40
05/06/03	Photocopies	\$ 1.20
05/06/03	Photocopies	\$ 0.90
05/06/03	Photocopies	\$ 1.20
05/06/03	Plane Fare - Darrell W. Scott for Kilpatrick deposition and meeting with expert consultant in Seattle, WA	\$ 194.00
05/06/03	Cab Fare - Darrell W. Scott for Kilpatrick deposition in Seattle, WA	\$ 30.00
05/06/03	Meals - Darrell W. Scott for Kilpatrick deposition in Seattle, WA	\$ 5.66
05/06/03	Meals - Darrell W. Scott for Kilpatrick deposition in Seattle, WA	\$ 28.37
05/06/03	Lodging - Darrell W. Scott for Kilpatrick deposition in Seattle, WA	\$ 224.45
05/07/03	Cab Fare - Darrell W. Scott for meeting with expert consultant in Seattle, WA	\$ 30.00
05/07/03	Meals - Darrell W. Scott for meeting with expert consultant in Seattle, WA	\$ 10.55
05/07/03	Lodging - Darrell W. Scott for meeting with expert consultant in Seattle, WA	\$ 210.37
05/07/03	Parking - Darrell W. Scott for Kilpatrick deposition and meeting with expert consultant in Seattle, WA	\$ 29.75
05/07/03	Publication	\$ 13.99
05/07/03	Publication	\$ 12.00
05/07/03	Publication	\$ 37.62
05/07/03	Publication	\$ 15.00
05/07/03	Photocopies	\$ 0.60
05/07/03	Photocopies	\$ 0.90

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
05/07/03	Photocopies	\$ 3.45
05/07/03	Photocopies	\$ 0.60
05/07/03	Photocopies	\$ 13.50
05/07/03	Photocopies	\$ 0.15
05/08/03	Mileage - Kelly E. Konkright roundtrip to Libby, MT for investigative work	\$ 110.88
05/08/03	Meals - Kelly E. Konkright at Henry's for investigative work in Libby, MT	\$ 10.10
05/09/03	Photocopies	\$ 54.30
05/12/03	Photocopies	\$ 0.60
05/12/03	Photocopies	\$ 0.30
05/12/03	Photocopies	\$ 64.95
05/12/03	Photocopies	\$ 0.60
05/13/03	Photocopies	\$ 21.30
05/13/03	Photocopies	\$ 1.80
05/13/03	Photocopies	\$ 1.35
05/13/03	Photocopies	\$ 0.60
05/13/03	Photocopies	\$ 82.65
05/13/03	Photocopies	\$ 0.15
05/13/03	Long Distance Charges	\$ 0.63
05/13/03	Long Distance Charges	\$ 0.59
05/13/03	Long Distance Charges	\$ 1.80
05/14/03	Postage	\$ 3.18
05/14/03	Photocopies	\$ 2.10
05/14/03	Photocopies	\$ 13.35

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
05/14/03	Photocopies	\$ 2.10
05/14/03	Photocopies	\$ 0.75
05/14/03	Photocopies	\$ 1.95
05/14/03	Photocopies	\$ 7.65
05/14/03	Photocopies	\$ 25.20
05/14/03	Photocopies	\$ 2.10
05/14/03	Long Distance Charges	\$ 1.80
05/15/03	Photocopies	\$ 6.90
05/15/03	Photocopies	\$ 1.50
05/15/03	Photocopies	\$ 0.90
05/15/03	Photocopies	\$ 1.20
05/15/03	Long Distance Charges	\$ 0.59
05/16/03	Federal Express Postage	\$ 17.43
05/16/03	Photocopies	\$ 1.20
05/16/03	Long Distance Charges	\$ 0.59
05/16/03	Long Distance Charges	\$ 2.39
05/19/03	Long Distance Charges	\$ 0.59
05/19/03	Long Distance Charges	\$ 1.20
05/20/03	Photocopies	\$ 0.90
05/20/03	Photocopies	\$ 0.15
05/20/03	Photocopies	\$ 0.15
05/22/03	Federal Express Postage	\$ 17.95
05/22/03	Federal Express Postage	\$ 14.43
05/22/03	Federal Express Postage	\$ 24.89

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
05/22/03	Federal Express Postage	\$ 14.43
05/22/03	Federal Express Postage	\$ 14.43
05/22/03	Photocopies	\$ 0.15
05/22/03	Photocopies	\$ 15.00
05/23/03	Photocopies	\$ 1.05
05/23/03	Photocopies	\$ 0.75
05/23/03	Photocopies	\$ 0.30
05/23/03	Photocopies	\$ 0.45
05/27/03	Photocopies	\$ 0.60
05/28/03	Photocopies	\$ 0.90
05/28/03	Photocopies	\$ 1.50
05/29/03	Photocopies	\$ 0.30
05/29/03	Photocopies	\$ 0.15
05/29/03	Photocopies	\$ 38.70
05/29/03	Photocopies	\$ 0.15
05/29/03	Long Distance Charges	\$ 2.02
05/30/03	Federal Express Postage	\$ 23.38
05/30/03	Federal Express Postage	\$ 23.38
05/30/03	Postage	\$ 2.21
05/30/03	Postage	\$ 5.75
05/30/03	Telecopier Service - (2 pages) (05/30/03 is posting date)	\$ 2.00
05/30/03	Telecopier Service - (9 pages) (05/30/03 is posting date)	\$ 9.00
05/30/03	Telecopier Service - (8 pages)	\$ 8.00

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
	(05/30/03 is posting date)	
05/30/03	Telecopier Service - (5 pages) (05/30/03 is posting date)	\$ 5.00
05/30/03	Telecopier Service - (5 pages) (05/30/03 is posting date)	\$ 5.00
05/30/03	Telecopier Service - (5 pages) (05/30/03 is posting date)	\$ 5.00
05/30/03	Long Distance Charges	\$ 0.67
05/30/03	Long Distance Charges	\$ 1.35
05/30/03	Long Distance Charges	\$ 0.32
	Total	\$ 2,063.15

CERTIFICATE OF SERVICE

I, William D. Sullivan, hereby certify that I caused a copy of the foregoing
*Verified Application of Lukins & Annis, P.S. for Compensation for Services and
Reimbursement of Expenses as ZAI Additional Special Counsel for the Interim Period
from May 1, 2003 through May 31, 2003* to be served upon those parties identified on the
attached service list via hand delivery or US Mail.

Dated: July 31, 2003

/s/ William D. Sullivan
William D. Sullivan

SERVICE LIST

Laura Davis Jones, Esquire
David Carickoff, Esquire
Pachulski, Stang, Ziehl, Young & Jones
919 North Market Street, 16th Floor
Wilmington, DE 19899-8705

Hamid R. Rafatjoo, Esquire
Pachulski, Stang, Ziehl, Young & Jones
10100 Santa Monica Boulevard
Los Angeles, CA 90067-4100

David M. Bernick, Esquire
James Kapp, III, Esquire
Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601

David B. Seigel
W.R. Grace and Co.
7500 Grace Drive
Columbia, MD 21044

Michael R. Lastowski, Esquire
Duane Morris & Heckscher LLP
1100 North Market Street, Suite 1200
Wilmington, DE 19801-1246

Lewis Kruger, Esquire
Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038-4982

William S. Katchen, Esquire
Duane, Morris & Heckscher LLP
One Riverfront Plaza, 2nd Floor
Newark, NJ 07102

J. Douglas Bacon, Esquire
Latham & Watkins
Sears Tower, Suite 5800
Chicago, IL 60606

Steven M. Yoder, Esquire
The Bayard Firm
222 Delaware Avenue, Suite 900
P.O. Box 25130
Wilmington, DE 19899

Michael B. Joseph, Esquire
Ferry & Joseph, P.A.
824 Market Street, Suite 904
P.O. Box 1351
Wilmington, DE 19899

Scott L. Baena, Esquire
Bilzin Sumberg Dunn Baena
Price & Axelrod, LLP
First Union Financial Center
200 South Biscayne Boulevard, Suite 2500
Miami, FL 33131

Matthew G. Zaleski, III, Esquire
Campbell & Levine
800 King Street, Suite 300
Wilmington, DE 19801

Elihu Inselbuch, Esquire
Rita Tobin, Esquire
Caplin & Drysdale, Chartered
399 Park Avenue, 27th Floor
New York, NY 10022

Peter Van N. Lockwood, Esquire
Julie W. Davis, Esquire
Trevor W. Swett, III, Esquire
Nathan D. Finch, Esquire
Caplin & Drysdale, Chartered
One Thomas Circle, N.W.
Washington, DC 20005

Teresa K.D. Currier, Esquire
Klett, Rooney, Lieber & Schorling
1000 West Street, Suite 1410
Wilmington, DE 19801

Philip Bentley, Esquire
Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, NY 10022

Frank J. Perch, Esquire
Office of the United States Trustee
844 King Street, Room 2313
Lockbox 35
Wilmington, DE 19801

Mark D. Collins, Esquire
Deborah E. Spivack, Esquire
Richards, Layton & Finger, P.A.
One Rodney Square
P.O. Box 551
Wilmington, DE 19899

James J. Restivo, Jr., Esquire
Reed Smith LLP
435 Sixth Avenue
Pittsburgh, PA 15219-1886

William J.A. Sparks, Esquire
W.R. Grace & Company
919 N. Market, Suite 460
Wilmington, DE 19899

Warren H. Smith
Warren H. Smith and Associates
900 Jackson Street
120 Founders Square
Dallas, TX 75202

EXHIBIT C

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
W.R. Grace & Co., <u>et al.</u>,	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
)	
Debtors.	)	Objection Deadline: September 5, 2003
	)	Hearing Date: TBD only if necessary

**SUMMARY OF THE VERIFIED APPLICATION OF LUKINS & ANNIS, P.S.
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES
AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE INTERIM PERIOD
FROM JUNE 1, 2003 THROUGH JUNE 30, 2003**

Name of Applicant:	Lukins & Annis, P.S.
Authorized to Provide Professional Services to:	Zonolite Attic Insulation Claimants
Date of Appointment:	July 22, 2002
Period for which compensation and Reimbursement is sought:	June 1, 2003 through June 30, 2003
Amount of Compensation sought as actual, Reasonable, and necessary:	\$40,623.00
Amount of Expenses Reimbursement:	\$ 1,480.01
This is a: <input checked="" type="checkbox"/> monthly <input type="checkbox"/> interim <input type="checkbox"/> final application	
Prior Application filed: Yes	

Date Filed	Period Covered	Requested Fees	Requested Expenses	Status of Fees	Status of Expenses
11/15/02	7/21/02 - 9/30/02	\$37,691.00	\$3,422.38	Approved	Approved
12/05/02	10/1/02 - 10/31/02	\$24,143.00	\$728.96	Approved	Approved
02/10/03	11/1/02 - 11/30/02	\$32,033.00	\$629.26	Approved	Approved
02/27/03	12/1/02 - 12/31/02	\$32,330.00	\$1,262.74	Approved	Approved
04/09/03	01/1/03 - 01/31/03	\$41,977.00	\$2,033.90	No Objections served on counsel	No Objections served on counsel
05/06/03	02/1/03 - 02/28/03	\$22,950.00	\$3,192.89	No Objections served on counsel	No Objections served on counsel
06/02/03	03/1/03 - 03/31/03	\$40,463.00	\$7,696.91	No Objections served on counsel	No Objections served on counsel
07/21/03	04/1/03 - 04/30/03	\$35,032.00	\$3,697.08	No Objections served on counsel	No Objections served on counsel
07/31/03	05/1/03 - 05/31/03	\$30,578.00	\$2,063.15	Objections due 08/20/03	Objections due 08/20/03

This is the ninth Lukins & Annis application for monthly interim compensation of services filed with the Bankruptcy Court in this Chapter 11 case.

The total expended for the preparation of this application is approximately 6 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$565.00.

The Lukins & Annis attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly Billing Rate	Total billed hours	Total compensation
Darrell W. Scott	Partner	13	Litigation	\$370	64.8	\$23,976.00
Kelly E. Konkright	Associate	1	Litigation	\$120	9.5	\$732.00
TOTALS					74.3	\$24,708.00

The paraprofessionals who rendered professional service in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years in position	Department	Hourly Billing Rate	Total billed hours	Total compensation
Kristy L. Bergland	Paralegal	23	Litigation	\$150	105.3	\$15,795.00
Barbara A. Hurley	Paralegal	3	Litigation	\$100	1.2	\$120.00
TOTALS					106.5	\$15,915.00

Compensation by Project Category

Category	Total Hours	Total Fees
20-Travel-Non-working	6.8 Hours	\$ 408.00
22-ZAI Science Trial	174.0 Hours	\$40,215.00
TOTALS	180.8 Hours	\$40,623.00

23-ZAI Science Trial Expenses

Description	Amount
Computer Assisted Legal Research	
Telephone Expense	\$ 146.01
Telephone Expense -- Outside	\$ 324.98
Facsimile (\$1.00 per page)	\$ 11.00
Postage Expense	
Courier & Express Carriers (Federal Express)	\$ 92.44
In-House Duplicating / Printing (\$.15 per page)	\$ 509.55
Outside Duplicating / Printing	\$ 41.85
Lodging	
Transportation	
Air Travel Expense	
Taxi Expense	
Mileage Expense	\$ 110.88
Travel Meals	
Parking	
General Expense	
Expert Services	
Books/Videos	
Other (Explain): Deposition Transcript	\$ 243.30
Total:	\$ 1,480.01

Dated: August 15, 2003

ELZUFON AUSTIN REARDON
TARLOV & MONDELL, P.A./s/ William Sullivan

William D. Sullivan (No. 2820)
Charles J. Brown, III (No. 3368)
300 Delaware Avenue, Suite 1700
P.O. Box 1630
Wilmington, DE 19899
FAX: (302) 777-7244
Local Counsel for ZAI Claimants

-and-

Darrell W. Scott, Esq.
LUKINS & ANNIS, P.S.
717 W. Sprague Avenue, Suite 1600
Spokane, WA 99201
FAX: (509) 747-2323
Additional Special Counsel For ZAI Claimants

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
W.R. Grace & Co., <u>et al.</u>	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
)	
Debtors.	)	Objection Deadline: September 5, 2003
	)	Hearing Date: TBD only if necessary

**FEE DETAIL OF THE VERIFIED APPLICATION OF LUKINS & ANNIS, P.S.
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES
AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE INTERIM PERIOD
FROM JUNE 1, 2003 THROUGH JUNE 30, 2003**

TIME REPORT

Lukins & Annis, P.S.

Time Period 06/01/2003 - 06/30/2003

CATEGORY 20: TRAVEL-Non-Working

Date	Timekeeper	Description	Hours	Hourly Rate	Total
06/12/03	KEK	Travel to and from Libby, Montana for investigative work (billed at half rate).	6.80	\$ 60.00	408.00
SUBTOTAL			6.80	\$	408.00

CATEGORY 22: ZAI SCIENCE TRIAL

Date	Timekeeper	Description	Hours	Hourly Rate	Total
06/02/03	DWS	Phone call from expert regarding expert witness issues (.4); work on legal research and briefing regarding anticipated Summary Judgment motions (1.8); phone call to co-counsel regarding same (.1); phone call from claimants regarding additional product packaging (.4); phone call from ZAI claimant regarding bulk testing results (.1); review legal research regarding California and Massachusetts claims in preparation for briefing (.6); meeting with paralegal regarding briefing research assignments (.3); review deposition memoranda regarding Hatfield and Corn (.4).	4.10	\$ 370.00	\$ 1,517.00
06/02/03	KLB	Respond to email from class representative Ralph Busch providing update to status of case.	0.20	\$ 150.00	\$ 30.00
06/02/03	KLB	Meet with partner to discuss legal research needed to prepare for upcoming motions.	0.40	\$ 150.00	\$ 60.00
06/03/03	DWS	Legal research and outlining of briefing regarding Minnesota ZAI claimant anticipated summary judgment motion practice (3.4); phone conference with ZAI counsel regarding case assignments and case status (.8); phone call with co-counsel regarding deposition preparation issues (.2); phone calls to and from consultant and to and from co-counsel regarding deposition preparation issues (.4).	4.80	\$ 370.00	\$ 1,776.00
06/03/03	KLB	Review EPA information on Zonolite (.5); pull selected Minnesota statutes and case law on	3.50	\$ 150.00	\$ 525.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		legal issues (.8); Research case law relating to California's Consumer Legal Remedies Act and statute of limitations (2.0); review Judge Wolin opinion on choice of law issue (.2).			
06/04/03	KLB	Begin legal research and memorandum on choice of law issues (1.0); begin legal research on statute of repose issues (1.0).	2.00	\$ 150.00	\$ 300.00
06/06/03	KLB	Research New York consumer protection statute (.5); prepare report from database on statutes of limitations (.3).	0.80	\$ 150.00	\$ 120.00
06/09/03	BAH	Research on New York websites for information available to homeowners regarding vermiculite attic insulation (.7); worked on report for the same (.5).	1.20	\$ 100.00	\$ 120.00
06/09/03	KLB	Begin nationwide state research on statutes of limitation issues (1.0); begin review of relevant law reviews (.5).	1.50	\$ 150.00	\$ 225.00
06/10/03	DWS	Phone call with ZAI claimants regarding case status and assignments (.4); legal research regarding California ZAI claimants CPA claims in preparation for upcoming briefing (2.0).	2.40	\$ 370.00	\$ 888.00
06/10/03	KLB	Legal research on consumer protections laws and statute of limitations issues relating to California, Montana, and Illinois.	2.40	\$ 150.00	\$ 360.00
06/12/03	KEK	Investigative work in Libby, Montana.	2.70	\$ 120.00	\$ 324.00
06/16/03	KLB	Begin legal research on state statutes of limitations for consumer protection claims.	1.50	\$ 150.00	\$ 225.00
06/17/03	KLB	Legal research on consumer protections laws of all 50 states relating to statutes of limitations (5.0); update to consumer protection database regarding same (1.5).	6.50	\$ 150.00	\$ 975.00
06/18/03	KLB	Continued legal research on statutes of limitations relating to consumer protection claims for all 50 states (1.5); updates to consumer protection database regarding same (.5); begin legal research on statutes of repose on consumer protection claims (2.5); prepare database report showing statute of	5.00	\$ 150.00	\$ 750.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		limitation research (.5).			
06/19/03	DWS	Review memoranda regarding withdrawal of reference (.2); phone call to co-counsel regarding same (.2); phone call to co-counsel regarding ZAI informant (.3); phone call from co-counsel regarding deposition status and briefing matters (.2); study memorandum regarding SOL and SOR statutes in ZAI Claimants' states (.4); draft status memorandum to ZAI co-counsel regarding withdrawal of reference issues and ZAI science trial (.4); review legal research regarding Wolin opinions regarding CPA claims and choice of law issues (1.6).	3.30	\$ 370.00	\$ 1,221.00
06/19/03	KLB	Continue legal research on consumer protection laws of all 50 states (3.5); compilation of key information into CPA database (1.5).	5.00	\$ 150.00	\$ 750.00
06/20/03	DWS	Continued legal research and writing of summary judgment brief regarding consumer protection issues.	7.20	\$ 370.00	\$ 2,664.00
06/20/03	KLB	Legal research regarding Choice of Law issues and Consumer Protection laws of all 50 states in preparation for Summary Judgment Briefing (7.0); review of Grace advertising of ZAI product (.5); review ZAI production information from Bureau of Mines Yearbooks and calculation into database of key state number of homes based on enactment of CPA laws (1.0); work on illustrative exhibit to use with CPA briefing illustrating certain Grace actions and when key states enacted private rights of action (1.5).	10.00	\$ 150.00	\$ 1,500.00
06/21/03	KLB	Review of various law review articles and ALR on consumer protection issues.	2.00	\$ 150.00	\$ 300.00
06/23/03	DWS	Research COL rule pertinent to CPA claims and upcoming motion practice (1.2); phone call from ZAI counsel regarding Wolin transfer order issues (.2); phone call to local counsel regarding Wolin transfer order issues (.2); work on CPA portion of science trial motion (3.0).	4.60	\$ 370.00	\$ 1,702.00
06/23/03	KLB	Legal research regarding consumer protection	8.50	\$ 150.00	\$ 1,275.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		laws of all 50 states (4.5); continue to update CPA database regarding same (1.5); review of statutes and case law concerning statutes of limitations, private rights of action, etc. (2.5).			
06/24/03	DWS	Continued legal research regarding choice of law issues pertaining to anticipated ZAI briefing (1.4); work on draft of summary judgment briefing (4.3); phone call to co-counsel regarding briefing (.4); phone conference with ZAI co-counsel regarding case status (.5).	6.60	\$ 370.00	\$ 2,442.00
06/24/03	DWS	Meeting with paralegal regarding choice of law questions.	0.20	\$ 370.00	\$ 74.00
06/24/03	KLB	Continue Consumer Protection and choice of law legal research and review key case law regarding same (7.0); update to exhibit showing dates states enacted private rights of action (1.0).	8.00	\$ 150.00	\$ 1,200.00
06/25/03	DWS	Meeting with paralegal regarding choice of law research (.2); phone call to co-counsel regarding briefing (.2); review and revise drafts of proposed briefing (1.2); continued work on CPA briefing and legal research regarding same (1.0); meeting with paralegal regarding briefing and research tasks (.4).	3.00	\$ 370.00	\$ 1,110.00
06/25/03	KLB	Legal research relating to consumer protection laws of all 50 states for summary judgment briefing.	6.50	\$ 150.00	\$ 975.00
06/26/03	DWS	Review draft of proposed briefing (.8); legal research regarding Porter property damage bankruptcy issues (.8); phone call to co-counsel regarding briefing issues (.5); continued work on draft of consumer protection briefing (5.0); meeting with paralegal regarding additional research assignments and preparation of appendices (.5).	7.60	\$ 370.00	\$ 2,812.00
06/26/03	KLB	Telephone call from co-counsel regarding documents needed for summary judgment briefing (.3); compile documents and fax same to co-counsel (.5); review of consumer protection statutes for claimant states (2.0); update to	9.00	\$ 150.00	\$ 1,350.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		database regarding same (.5); Continued legal research regarding consumer protection laws of all 50 states (5.7).			
06/27/03	DWS	Write draft of brief supporting Motion for Summary Judgment (5.0); follow-up legal research regarding Rule 52(d) standards, choice of law issues and state CPA statutes (2.0); review and select exhibits supporting Motion for Partial Summary Judgment (1.0); review and revise appendices to brief (2.2); phone calls to and from co-counsel regarding procedural issues (.5).	10.70	\$ 370.00	\$ 3,959.00
06/27/03	KLB	Prepare report from database reflecting consumer protection laws of the six claimant states, including statute of limitations issues (2.0); review case law to ascertain when private rights of action were enacted in states where history uncertain (2.5); work on illustrative exhibit showing timeline and key activities (1.5); legal research in preparation for summary judgment briefing on consumer protection issues (1.5).	7.50	\$ 150.00	\$ 1,125.00
06/28/03	KLB	Review draft of consumer protection fact section (.5); draft illustrative exhibit regarding ZAI sold as do-it-yourself product (1.5); revisions to exhibit showing private right of action status of all 50 states (.5); legal research and compilation into database of prohibited practices from consumer protection laws of all 50 states (4.0); legal research relating to choice of law issues in consumer protection cases (2.0).	8.50	\$ 150.00	\$ 1,275.00
06/29/03	KLB	Calculation of numbers of homes in all 50 states in which ZAI was installed from date that state enacted private right of action through 1984 (1.0); work on illustrative exhibit showing state statutory consumer protection analysis (4.5); Further legal research on discovery rule in certain states with unclear statutory language (3.5).	9.00	\$ 150.00	\$ 1,350.00
06/30/03	DWS	Review materials supplied by Ed Westbrook's office regarding proposed motions (.5); continued work on principal brief supporting	10.30	\$ 370.00	\$ 3,811.00

Date	Timekeeper	Description	Hours	Hourly Rate	Total
		Motion for Partial Summary Judgment (5.5); meeting with paralegal regarding additional research assignments and tasks (.5); review Grace marketing and advertising materials for submission as exhibits (1.5); meeting with paralegal regarding briefing matters (.5); review and revise illustrative appendices regarding applicable state CPA claims and illustrative exhibit regarding historical conduct (1.8).			
06/30/03	KLB	Revisions to illustrative exhibit showing state consumer protection analysis (2.5); Revisions to illustrative exhibit showing marketing of Zonolite as a Do-it-yourself product (1.2); Review of exhibits and depositions for information relevant to factual section of consumer protection brief (3.3); legal research regarding summary judgment standards (.5)	7.50	\$ 150.00	\$ 1,125.00
SUBTOTAL			174.00		\$ 40,215.00
TIME TOTAL:			180.80		\$ 40,623.00

COST REPORT

Lukins & Annis, P.S.

Time Period 06/01/2003 - 06/30/2003

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
06/02/03	Photocopies	\$ 0.45
06/02/03	Photocopies	\$ 1.80
06/02/03	Photocopies	\$ 0.45
06/02/03	Photocopies	\$ 6.00
06/02/03	Long Distance Charges	\$ 1.35
06/02/03	Long Distance Charges	\$ 3.80
06/03/03	Photocopies	\$ 0.60
06/03/03	Photocopies	\$ 8.10
06/03/03	Photocopies	\$ 1.20
06/03/03	Long Distance Charges	\$ 1.59
06/03/03	Long Distance Charges	\$ 1.35
06/03/03	Long Distance Charges	\$ 0.67
06/04/03	Photocopies	\$ 0.90
06/04/03	Photocopies	\$ 2.10
06/05/03	Deposition Transcript - John A. Kilpatrick taken 5/06/03	\$ 243.30
06/05/03	Photocopies - - U.S. Environmental Protection Agency, Region VIII	\$ 41.85
06/06/03	Federal Express Postage	\$ 36.14
06/06/03	Federal Express Postage	\$ 13.45
06/06/03	Federal Express Postage	\$ 28.49
06/06/03	Federal Express Postage	\$ 14.36
06/06/03	Photocopies	\$ 0.90

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
06/06/03	Photocopies	\$ 0.90
06/09/03	Photocopies	\$ 3.90
06/09/03	Photocopies	\$ 11.25
06/10/03	Photocopies	\$ 0.75
06/11/03	Photocopies	\$ 0.30
06/11/03	Long Distance Charges	\$ 0.67
06/12/03	Mileage - Kelly E. Konkright roundtrip to Libby, MT for investigative work	\$ 110.88
06/12/03	Long Distance Charges	\$ 0.67
06/12/03	Long Distance Charges	\$ 2.70
06/12/03	Long Distance Charges	\$ 0.67
06/13/03	Telecopier Service (4 pages) (06/13/03 is posting date)	\$ 4.00
06/16/03	Photocopies	\$ 0.45
06/16/03	Photocopies	\$ 1.20
06/17/03	Photocopies	\$ 0.30
06/17/03	Photocopies	\$ 0.90
06/18/03	Long Distance Charges	\$ 1.35
06/19/03	Photocopies	\$ 0.45
06/19/03	Photocopies	\$ 3.90
06/19/03	Photocopies	\$ 36.45
06/19/03	Photocopies	\$ 32.10
06/19/03	Long Distance Charges	\$ 0.67
06/19/03	Long Distance Charges	\$ 13.52
06/19/03	Long Distance Charges	\$ 1.35

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
06/19/03	Long Distance Charges	\$ 10.14
06/20/03	Photocopies	\$ 15.30
06/20/03	Photocopies	\$ 18.15
06/20/03	Photocopies	\$ 23.70
06/23/03	Conference Call 04/08/03 (posted 06/23/03)	\$ 60.44
06/23/03	Conference Call 04/15/03 (posted 06/23/03)	\$ 111.00
06/23/03	Conference Call 04/22/03 (posted 06/23/03)	\$ 37.01
06/23/03	Conference Call 04/29/03 (posted 06/23/03)	\$ 116.53
06/23/03	Photocopies	\$ 1.50
06/23/03	Photocopies	\$ 6.75
06/23/03	Photocopies	\$ 4.35
06/23/03	Photocopies	\$ 0.60
06/23/03	Photocopies	\$ 12.15
06/23/03	Photocopies	\$ 26.25
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06/24/03	Photocopies	\$ 15.15
06/24/03	Photocopies	\$ 0.15
06/24/03	Long Distance Charges	\$ 8.11
06/24/03	Long Distance Charges	\$ 71.06
06/25/03	Photocopies	\$ 32.85
06/25/03	Long Distance Charges	\$ 0.67
06/25/03	Long Distance Charges	\$ 0.67
06/26/03	Photocopies	\$ 0.45
06/26/03	Photocopies	\$ 9.15

<u>DATE</u>	<u>DESCRIPTION</u>	<u>CHARGE</u>
06/26/03	Photocopies	\$ 27.45
06/26/03	Photocopies	\$ 0.90
06/26/03	Photocopies	\$ 0.90
06/26/03	Photocopies	\$ 0.15
06/26/03	Photocopies	\$ 138.75
06/26/03	Photocopies	\$ 25.95
06/26/03	Long Distance Charges	\$ 20.28
06/26/03	Long Distance Charges	\$ 1.35
06/27/03	Long Distance Charges	\$ 2.02
06/27/03	Photocopies	\$ 0.30
06/27/03	Photocopies	\$ 4.20
06/27/03	Photocopies	\$ 1.80
06/27/03	Photocopies	\$ 9.90
06/27/03	Photocopies	\$ 1.80
06/27/03	Photocopies	\$ 1.20
06/30/03	Telecopier Service (1 page) (06/30/03 is posting date)	\$ 1.00
06/30/03	Telecopier Service (6 pages) (06/30/03 is posting date)	\$ 6.00
06/30/03	Photocopies	\$ 6.00
06/30/03	Photocopies	\$ 8.40
Total		\$ 1,480.01

CERTIFICATE OF SERVICE

I, William D. Sullivan, hereby certify that I caused a copy of the foregoing *Verified Application of Lukins & Annis, P.S. for Compensation for Services and Reimbursement of Expenses as ZAI Additional Special Counsel for the Interim Period from June 1, 2003 through June 30, 2003* to be served upon those parties identified on the attached service list via hand delivery or US Mail.

Dated: August 15, 2003

/s/ William D. Sullivan
William D. Sullivan

SERVICE LIST

Laura Davis Jones, Esquire
David Carickoff, Esquire
Pachulski, Stang, Ziehl, Young & Jones
919 North Market Street, 16th Floor
Wilmington, DE 19899-8705

Hamid R. Rafatjoo, Esquire
Pachulski, Stang, Ziehl, Young & Jones
10100 Santa Monica Boulevard
Los Angeles, CA 90067-4100

David M. Bernick, Esquire
James Kapp, III, Esquire
Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601

David B. Seigel
W.R. Grace and Co.
7500 Grace Drive
Columbia, MD 21044

Michael R. Lastowski, Esquire
Duane Morris & Heckscher LLP
1100 North Market Street, Suite 1200
Wilmington, DE 19801-1246

Lewis Kruger, Esquire
Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038-4982

William S. Katchen, Esquire
Duane, Morris & Heckscher LLP
One Riverfront Plaza, 2nd Floor
Newark, NJ 07102

J. Douglas Bacon, Esquire
Latham & Watkins
Sears Tower, Suite 5800
Chicago, IL 60606

Steven M. Yoder, Esquire
The Bayard Firm
222 Delaware Avenue, Suite 900
P.O. Box 25130
Wilmington, DE 19899

Michael B. Joseph, Esquire
Ferry & Joseph, P.A.
824 Market Street, Suite 904
P.O. Box 1351
Wilmington, DE 19899

Scott L. Baena, Esquire
Bilzin Sumberg Dunn Baena
Price & Axelrod, LLP
First Union Financial Center
200 South Biscayne Boulevard, Suite 2500
Miami, FL 33131

Matthew G. Zaleski, III, Esquire
Campbell & Levine
800 King Street, Suite 300
Wilmington, DE 19801

Elihu Inselbuch, Esquire
Rita Tobin, Esquire
Caplin & Drysdale, Chartered
399 Park Avenue, 27th Floor
New York, NY 10022

Teresa K.D. Currier, Esquire
Klett, Rooney, Lieber & Schorling
1000 West Street, Suite 1410
Wilmington, DE 19801

Frank J. Perch, Esquire
Office of the United States Trustee
844 King Street, Room 2313
Lockbox 35
Wilmington, DE 19801

James J. Restivo, Jr., Esquire
Reed Smith LLP
435 Sixth Avenue
Pittsburgh, PA 15219-1886

Warren H. Smith
Warren H. Smith and Associates
900 Jackson Street
120 Founders Square
Dallas, TX 75202

Peter Van N. Lockwood, Esquire
Julie W. Davis, Esquire
Trevor W. Swett, III, Esquire
Nathan D. Finch, Esquire
Caplin & Drysdale, Chartered
One Thomas Circle, N.W.
Washington, DC 20005

Philip Bentley, Esquire
Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, NY 10022

Mark D. Collins, Esquire
Deborah E. Spivack, Esquire
Richards, Layton & Finger, P.A.
One Rodney Square
P.O. Box 551
Wilmington, DE 19899

William J.A. Sparks, Esquire
W.R. Grace & Company
919 N. Market, Suite 460
Wilmington, DE 19899

ORDER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
W.R. Grace & Co., <u>et al.</u>,	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
Debtors.)	

**ORDER GRANTING FOURTH INTERIM QUARTERLY APPLICATION OF LUKINS
& ANNIS, P.S. FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF
EXPENSES AS ZAI ADDITIONAL SPECIAL COUNSEL FOR THE INTERIM
PERIOD FROM APRIL 1, 2003 THROUGH JUNE 30, 2003**

Lukins & Annis, P.S. ("L&A") as additional special counsel to ZAI Claimants in the above-referenced bankruptcy case, filed the Fourth Quarterly Application for Allowance of Compensation and Reimbursement of Expenses for April 1, 2003 through June 30, 2003 (the "Fourth Quarterly Application"). The Court has reviewed the Fourth Quarterly Application and finds that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) notice of the Fourth Quarterly Application, and any hearing on the Fourth Quarterly Application, was adequate under the circumstances; and (c) all person with standing have been afforded the opportunity to be heard on the Fourth Quarterly Application.

Accordingly, it is hereby

ORDERED that the Fourth Quarterly Application is GRANTED as modified herein, on an interim basis. Debtors shall pay to L&A the sum of \$106,233.00 as compensation and \$7,240.24 as reimbursement of expenses, for a total of \$113,473.24 for services rendered and disbursements incurred by L&A for the period April 1, 2003 through June 30, 2003, less any amounts previously paid in connection with the monthly fee applications.

Dated: _____, 2003

The Honorable Judith K. Fitzgerald
United States Bankruptcy Judge

CERTIFICATE OF SERVICE

I, William D. Sullivan, Esquire, hereby certify that on September 3, 2003 service of the foregoing:

- **Fourth Interim Quarterly Application of Lukins & Annis, P.S. for Compensation for Services and Reimbursement of Expenses as ZAI Additional Special Counsel for the Interim Period from April 1, 2003 through June 30, 2003**

was made upon the attached Service List via hand delivery and first class mail.

Dated: Wilmington, Delaware
September 3, 2003

/s/ William D. Sullivan
WILLIAM D. SULLIVAN

SERVICE LIST

Laura Davis Jones, Esquire
David Carickoff, Esquire
Pachulski, Stang, Ziehl, Young & Jones
919 North Market Street, 16th Floor
Wilmington, DE 19899-8705

Hamid R. Rafatjoo, Esquire
Pachulski, Stang, Ziehl, Young & Jones
10100 Santa Monica Boulevard
Los Angeles, CA 90067-4100

David M. Bernick, Esquire
James Kapp, III, Esquire
Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601

David B. Seigel
W.R. Grace and Co.
7500 Grace Drive
Columbia, MD 21044

Michael R. Lastowski, Esquire
Duane Morris & Heckscher LLP
1100 North Market Street, Suite 1200
Wilmington, DE 19801-1246

Lewis Kruger, Esquire
Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038-4982

William S. Katchen, Esquire
Duane, Morris & Heckscher LLP
One Riverfront Plaza, 2nd Floor
Newark, NJ 07102

J. Douglas Bacon, Esquire
Latham & Watkins
Sears Tower, Suite 5800
Chicago, IL 60606

Steven M. Yoder, Esquire
The Bayard Firm
222 Delaware Avenue, Suite 900
P.O. Box 25130
Wilmington, DE 19899

Michael B. Joseph, Esquire
Ferry & Joseph, P.A.
824 Market Street, Suite 904
P.O. Box 1351
Wilmington, DE 19899

Scott L. Baena, Esquire
Bilzin Sumberg Dunn Baena
Price & Axelrod, LLP
First Union Financial Center
200 South Biscayne Boulevard, Suite 2500
Miami, FL 33131

Matthew G. Zaleski, III, Esquire
Campbell & Levine
800 King Street, Suite 300
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Elihu Inselbuch, Esquire
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Caplin & Drysdale, Chartered
399 Park Avenue, 27th Floor
New York, NY 10022

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Warren H. Smith
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900 Jackson Street
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Peter Van N. Lockwood, Esquire
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Washington, DC 20005

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New York, NY 10022

Mark D. Collins, Esquire
Deborah E. Spivack, Esquire
Richards, Layton & Finger, P.A.
One Rodney Square
P.O. Box 551
Wilmington, DE 19899

William J.A. Sparks, Esquire
W.R. Grace & Company
919 N. Market, Suite 460
Wilmington, DE 19899